

Message Text

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PAGE 01 STATE 038235

12

ORIGIN L-03

INFO OCT-01 NEA-10 ISO-00 DODE-00 PM-04 NSC-05 SP-02 SS-15

CIAE-00 INR-07 NSAE-00 EB-07 IGA-02 AID-05 /061 R

FRAF ED BY L/PM:JHMICHEL:PDW

APPROVED BY NEA/ARN:MDRAPER

OSD/DSAA:RVIOLETTE

OSD/ISA:RTHOMPSON

DOD/GC:MR. HERO

PM:DKEENE

----- 126604

R 180059Z FEB 76

FM SECSTATE WASHDC

TO AMEMBASSY AMMAN

C O N F I D E N T I A L STATE 038235

E.O. 11652: GDS

TAGS: MASS, JO, US

SUBJECT: DEFENSE SALES AND ASSISTANCE--U.S. CONTRACTOR
EXEMPTIONS

REF: (A) AMMAN 279 (1/19/76), (B) STATE 264607 (11/7/75)

1. DEPT CONCURS IN EMBASSY PREFERENCE TO AVOID REFERENCE
TO CLASSIFIED AGREEMENT IN PROPOSED EXCHANGE OF NOTES, AND
AGREES THAT NEGATIVE CONNOTATIONS OF WORD "REGULARIZING"
SUGGEST DESIRABILITY OF SUBSTITUTING A MORE NEUTRAL TERM.
AT SAME TIME, AGREEMENT SHOULD NOT RPT NOT UNNECESSARILY
IMPLY THAT GOJ MIGHT HAVE CLAIM FOR TAXES ON INCOME EARNED
OR OTHER ACTIVITIES PRIOR TO ENTRY INTO FORCE OF NEW AGREE-
MENT. WITH THIS CONSIDERATION IN MIND, DEPT SUGGESTS
FOLLOWING AMENDMENTS TO DRAFT NOTE TO MEET EMBASSY'S
CONCERNS:

(A) IN PARA 1, AT END OF FIRST SENTENCE, CHANGE PERIOD TO A
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PAGE 02 STATE 038235

COMMA AND INSERT "PURSUANT TO AGREEMENTS IN FORCE BETWEEN

'HE TWO GOVERNMENTS." STRIKE OUT SECOND SENTENCE.

(B) IN PARA 2, STRIKE OUT "REGULARIZING" AND INSERT IN LIEU THEREOF "CLARIFYING."

(C) ALSO IN PARA 2, STRIKE OUT EVERYTHING BETWEEN "REGARDED AS" AND "APPLICABLE TO."

2. EXISTING PERSONAL INCOME TAX EXEMPTION FOR NON-RESIDENT INDIVIDUAL CONTRACTOR EMPLOYEES REMAINS IN U.S. INTERNAL REVENUE CODE AT THIS TIME. HOWEVER, REPEAL IS EXPECTED AND IN LIGHT OF FAVORABLE GOJ PRACTICE REGARDING AID CONTRACTORS, IT SEEMS UNNECESSARY TO RAISE THIS ISSUE.

3. ASSUMING THAT CHANGES SUGGESTED PARA 1 ARE ACCEPTABLE TO EMBASSY, WE HAVE INITIATED CIRCULAR 175 PROCEDURE ON BASIS OF REVISED TEXT. GIVEN NON-CONTROVERSIAL NATURE OF SUBJECT, IT IS EXPECTED THAT AUTHORIZATION TO INITIATE DISCUSSIONS WITH PRIME MINISTER WILL BE FORTHCOMING IN NEXT FEW DAYS. INGERSOLL

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Message Attributes

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Draft Date: 18 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: GS
Errors: N/A
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Handling Restrictions: n/a
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Margaret P. Grafeld
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EO Systematic Review
04 MAY 2006

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